

HB 510 -- LIMITED LIABILITY COMPANIES

This bill changes the laws regarding limited liability companies (LLCs). It its main provisions, the bill:

- (1) Specifies that the information which a LLC must specify in its articles of organization must also be specified for each separate series of the LLC;
- (2) Specifies that the information which a foreign LLC must specify in its application for registration as a foreign LLC must also be specified for each separate series of the LLC;
- (3) Allows an operating agreement to establish or provide for the establishment of a designated series of members, managers, or LLC interests having separate rights, powers, or duties with respect to specified property or obligations of the LLC or profits and losses associated with specified property or obligations;
- (4) Specifies that the debts, liabilities, and obligations incurred, contracted for, and otherwise existing with respect to a particular series must be enforceable only against the assets of that series and not against the assets of the LLC generally or any other series of the LLC;
- (5) Specifies when a particular series will be deemed to have possession, custody, and control only of the books, records, information, and documentation related to the series and not of the LLC as a whole;
- (6) Prohibits the debts, liabilities, obligations, and expenses incurred, contracted for, or otherwise existing with respect to an LLC from being enforceable against the assets of the series unless otherwise provided in the operating agreement;
- (7) Requires a series with limited liability to be treated as a separate entity as set forth in the articles of organization and allows the series to conduct business and exercise the powers of an LLC;
- (8) Specifies when the name of the series with limited liability must contain the entire name of the LLC;
- (9) Specifies how the name of a series with limited liability may be changed and how a series with limited liability may be dissolved;
- (10) Specifies that an operating agreement can provide for classes or groups of members or managers associated with a series having

the rights, powers, and duties as provided in the agreement and may make provision for the future creation of additional classes or groups of members or managers associated with the series;

(11) Allows a series to be managed by the member or members associated with the series or by the manager or managers chosen by the members of the series;

(12) Specifies that an operating agreement may impose restrictions, duties, and obligations on members of the LLC or series regarding certain matters; and

(13) Specifies that if a LLC with the ability to establish a series does not register to do business in a foreign jurisdiction for itself and its series, a series of a LLC may itself register to do business as a LLC in the foreign jurisdiction in accordance with the laws of the foreign jurisdiction. The bill also specifies the requirements for foreign LLCs that have established a series to register to do business in the state.